

The AMERICAN OBSERVER

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe



VOLUME IV, NUMBER 33

WASHINGTON, D. C.

APRIL 29, 1935

Economics Govern Policies of Nations

Decisions and Actions of Governments Are Controlled by Desire for National Security

INEQUALITY BREEDS DISCORD

Some Powers Are on the Defensive as Others Seek to Improve Positions

The world seems to pass from one conference to another. Hardly have statesmen terminated their discussions at one meeting than they must prepare for another. There is always a constant round of disputes which never appear to be settled. The distant observer may gather the impression that most of this continuous bickering among diplomats is trivial and stupid. But actually such a conclusion is not warranted. Closer study will show that behind all the talk of national rights and pride and ambition there are many vital interests; that somehow the diplomats, wisely or unwisely, are trying to secure for their peoples things which are essential for comfort and happiness.

Frank H. Simonds has written a book which tells of the essential needs of each of the great nations, of the materials each possesses and of those it must acquire, and of how these needs affect foreign policies. This is a book which should be read by every person who is anxious to understand the economic facts behind the foreign policies of nations. This book, "The Price of Peace," by Frank H. Simonds (New York: Harpers. \$3) is the source from which many of the facts presented in this article are derived.

The United States

The situation of the United States is more fortunate than that of any other great nation. This country produces a sufficient amount of the most essential raw materials. Our chief trouble is not concerned with resources. On the contrary we are capable of producing more goods than our people can buy. Our policy, therefore, has been mainly one of finding and keeping open outlets for foreign trade. We have expected the people of other nations to buy the goods which cannot be sold within our own borders. It was precisely this foreign trade which formerly contributed so much to our prosperity.

The American government, therefore, is interested in developing foreign markets. When anything happens which interferes with our foreign trade we bristle. When a nation seems intent upon getting exclusive hold of foreign markets which we would like to share, as Japan now is in China, relations between that country and America are strained. Many people believe that the United States will go to war with Japan if the Japanese continue to penetrate into China. The American government, in deciding on its foreign policies, usually acts on the assumption that the future prosperity of the American people depends upon keeping foreign markets open; upon preventing other nations from gaining special trade privileges for themselves in regions with which we may wish to trade.

The Russians can live fairly well on what
(Concluded on page 5, column 2)



DOWN THE MIDDLE OF THE ROAD

—Herblock in Tulsa TRIBUNE

Laying Up Capital

One is likely to succeed in the business world only in case he acquires more capital from time to time than he needs to use in his current operations. He puts this capital by; allows it to accumulate, then as opportunities appear he puts it to use. He frequently finds occasion to feed this accumulated capital into his business. By this process alone is he able to carry on extensive, complicated, and expanding operations. The accumulation of capital is also an insurance against later insecurity. Even though one may never plan to conduct business enterprises he must prepare to continue his existence. He must realize that the time may come when he can no longer produce. Then he will be fortunate if he has an accumulation of capital to fall back upon. That is why it is considered so desirable for one to produce a surplus while the going is good, laying up capital for future opportunities and for rainy days.

It is not so generally realized that it is equally desirable for one to lay up intellectual capital. If one is to succeed he should spend years in the study of a wide range of subjects. That is what he does during his student days. Then he continues to study and to learn. He reads, reflects upon, and discusses many matters which do not concern his daily work. But he is accumulating a reserve of information and of ideas. And all the while occasions are coming along which call for information and for skill one cannot acquire in a hurry. These are the times when one falls back upon the reserve he has built up. The business man making a decision which calls for a broad understanding of economic conditions, the lawyer handling a complicated case, the physician dealing with a critical situation, all these would be utterly helpless if they had not on hand a store of knowledge and technique which had been developed through the years.

Even though one may not be going into business or the professions, he needs a store of intellectual capital. He needs it in order to act intelligently as a citizen. No man can become sufficiently familiar with the problems his ballot deals with if he waits to study the issues involved until election time approaches. The casting of a ballot is a moment of crisis, comparable to the one faced by the physician when he is confronted by a complicated case. The voter meets the crisis effectively only if he is able to make his decision in the light of a knowledge and understanding which has been in preparation for months or years. And so it is with the little crises with which one's private life is filled. One cannot always meet difficult situations on the impulse of the moment. He needs a reserve of experience upon which he may draw. In times of opportunity and crisis one may live on his intellectual capital, but if he is to be happy in his personal relations and successful in his career, he must be adding constantly to his reserve of capital, intellectual as well as material.

Extension of NRA Up Before Congress

Future of Recovery Agency Must Be Decided by June 16 when Present Measure Expires

TWO-YEAR HISTORY REVIEWED

Unexpected Developments Have Complicated Issue Over Future Policy

The very day that General Johnson was testifying before the Senate Finance Committee in defense of the NRA there came from the other end of Washington a blast which has done more damage to the cause of extending the NRA than anything that has yet occurred. The Brookings Institution, perhaps the foremost economic research organization in the country, made public its investigation on the effects of nearly two years of the NRA. And the report was anything but optimistic. It held that the policies inaugurated by the NRA have retarded prosperity, have failed to increase employment and purchasing power, have hindered the government's agricultural relief program, and in other ways have been injurious to the country as a whole.

Conflict over Extension

Thus the question of the NRA is again very much in the foreground of national attention. On the one hand, friends of the NRA are saying that Congress should extend its life for another two years or we shall go back to conditions which prevailed between 1929 and 1932. On the other, opponents warn that if the NRA is not scrapped, we shall never return to sound and stable economic conditions. In his testimony before the Senate committee, which lasted more than two hours, Johnson declared that to do away with the NRA would be like "burning down your house to get rid of the few rats in the attic," and urged that "we scrub our infant vigorously, but let us not throw the baby down the drain pipe with the dirty water." In their report, the Brookings economists assert, "So far as inducing recovery is concerned . . . it must be concluded that the trade practice provisions of codes have been a hindrance rather than a stimulus."

In view of the bitter battle which is now being waged over extension of the NRA and the more bitter struggle which is almost certain to take place when the question is debated in the floors of Congress, it is important to review the essential facts and history of this great pillar of the Rooseveltian New Deal. If Congress fails to act favorably in behalf of the NRA, that agency will automatically die a natural death in a month and a half, for the original act expires June 16. It is for that reason that the Senate Finance Committee is now holding hearings on a bill introduced by Senator Pat Harrison of Mississippi, chairman of the committee. A similar NRA measure will be introduced in the House of Representatives within a short time.

There was great enthusiasm for the NRA when it was established two years ago. It was considered the central feature of the drive toward recovery. The plan was broad and comprehensive. The NRA un-
(Concluded on page 6)

FOLLOWING THE NEWS

FOR the past 10 years one of the country's major industries, the manufacturing of cotton textiles, has been on the downgrade. In the textile factories of Massachusetts, for example, the number of workers employed decreased from 114,000 in 1923 to 45,000 in 1933, a drop of more than 60 per cent. So grave has this situation become that New England governors, as well as textile leaders, have appealed to the federal government to take some action to prevent the complete collapse of the industry. In response to this plea, President Roosevelt has appointed a cabinet committee to make a survey of the industry and submit recommendations for its relief.

The committee, which consists of Secretaries Hull, Wallace, Roper, and Perkins, will concentrate its attention on several outstanding problems. Among the most



© Acme
HENRY A. WALLACE

important of these is the question of the processing tax. This is a tax imposed on processors, that is, on those who convert raw materials into marketable products, and the money so raised is used to furnish government aid to farmers. The manufacturers and other processors pass this tax along to consumers by simply adding it on to the selling price. Now, however, they are pleading with the government to abolish the tax so that they can lower their prices and thus sell more goods.

Another important question is the difference in the wages which are paid by southern mill owners and those of New England. In the South, where the cost of living is lower, the owners are permitted to pay their workers a slightly lower wage, and are thus enabled, according to the New England group, to undersell the northern manufacturers. The committee will study this complaint and will also make an analysis of the mechanical efficiency of textile factories throughout the country. President Roosevelt considers this last point particularly important. As a result of the survey, in fact, the government may make loans to manufacturers to enable them to improve their plants and thus reduce their cost of production.

Social Security Bill Passes

Not so long ago, President Roosevelt made it clear to Congress leaders that certain pieces of legislation must be passed at the present session, come what may. Last week one of the most important of these "must" bills came through the House of Representatives with flying colors. This was the Social Security bill, which was passed by the emphatic vote of 372 to 33. Its main provisions are these: (1) For each needy person over the age of 65, the

federal government will contribute as much as \$15 a month, matching the state's contributions dollar for dollar up to that amount. If a state thinks its old folks should receive more than \$30 a month, it will have to make up the difference itself. (2) A system will be set up to enable persons over 65 to receive much more than this amount in old-age benefits provided they themselves have made contributions to the fund during their working years. (3) Employers would be taxed according to the size of their payrolls to provide for an unemployment insurance fund. This system would be operated entirely by the states.

Administration leaders are congratulating themselves on the victory in the House, not only because the bill is an important feature of the Roosevelt program, but also because it dealt a strong blow to advocates of the Townsend plan. The Townsend group, which would give each person over 65 a monthly sum of \$200, was reported to be gaining strength, and was offered several times as a substitute for the Social Security bill. Since the Townsend scheme is regarded in administration circles as unsound and dangerous, its severe defeat in the House is a source of great relief to the White House.

Life in 2035

Every once in a while scientists meet to exchange notes and discuss the progress of their work. Usually after such meetings the air is filled with glamorous predictions of what the world will be like a century or two hence, if science is unhampered by wars and other human disasters. The recent meeting of the American Chemical Society proved no exception to the rule.

Interplanetary transportation will be a distinct possibility by the year 2035, according to Thomas Midgley, Jr., chairman of the society's board. Engineering even now, he declared, is only waiting for chemistry to produce a fuel sufficiently powerful to shoot rockets out of reach of the earth's gravitational pull. In that not-so-far-off day, says Mr. Midgley, not only will such a fuel have been developed, but chemistry will have succeeded in abolishing such curses as cancer, bad teeth, tuberculosis, diabetes, and that plague, the common cold. Barring accidents, individuals will be able to prolong their lives indefinitely. Dinners will be contained in little pills, and bad dreams and toothbrushes will be things of the past.

The world now contains many things that would have been considered black magic in the days of George Washington. With this fact in mind, fanciful scientists may occasionally let their imaginations run riot. Still, who can tell?

Red Cross for Art

The United States signed a treaty last week and at the same time recognized a new and curious flag. In the State Department archives the agreement will be known as the "Treaty for the Protection of Artistic and Scientific Institutions and Historic Monuments," but it will be commonly referred to as the Roerich Pact.

The idea originated in the mind of Nicholas Roerich, a distinguished artist and explorer. The Red Cross flag, thought Mr. Roerich, protects hospitals in time of war. Why not a flag to protect libraries, museums, and other buildings which house cultural objects? After several years of effort Mr. Roerich's plan became a reality. Representatives of 21 American countries met on Pan-American Day and pledged that in time of war their armies would avoid the destruction of buildings which fly the Roerich flag. The new banner will consist of a crimson circle, containing three crimson spheres, against a background of white. It is to be

hoped that the nations will be scrupulous in observing this treaty and that they will not take advantage of the Roerich flag by using it to shield military activities.

Back From the Antarctic

America's number one explorer, Rear Admiral Richard E. Byrd, will be officially welcomed home next week. On May 10 he is due to sail up the Potomac to Washington. President Roosevelt will be at the dock to greet him, and in the evening Byrd and his fellow adventurers will be guests



© Acme
DUST MASKS
Man and beast seek protection from the choking dust which has been sweeping over the Middle West.

of the National Geographic Society. In Constitution Hall, the capital city's splendid auditorium, they will be given a royal welcome by Washingtonians. Each member of the crew will be presented to the audience, and Admiral Byrd himself will give a short lecture on the discoveries.

To Count Jobless

After five years of depression the government is at last going to make a count of the unemployed. No one has ever known exactly how many people are out of work in the United States. The highest estimate made in 1932 and 1933 was 13,000,000. Now it is thought there are about 10,000,000 unemployed in the country, although some believe the total is not more than 7,000,000.

But by next fall we should know. President Roosevelt plans to spend \$15,000,000 of the work-relief fund to take a census of the unemployed. The project has several advantages. For one thing, the government may be able to deal more successfully with the problem when it knows the exact scope of its task. Then, too, the census itself will require the services of some 600,000 people who are now without jobs.

Nevertheless, the plan is open to a certain amount of criticism. It is said that an efficient census cannot be taken by inexperienced persons drawn from the relief rolls. If the government wishes to take a census, it is argued, it should use the regular government agencies which are already provided for such purposes.

Changing the Capitol

Congress is now considering a bill to alter the front of the United States Capitol. The Senate has already approved the spending of \$3,500,000 to do the work, but architects and others have raised their voices in protest.

There are three entrances on the east front of the Capitol. The center steps give entrance to the portion of the building that was erected in George Washington's time. These walls were left standing when the British burned the building in 1814, and have been painted to cover up the blackened stone. The center steps have long served as the scene for presidential inaugurations.

The new plan would extend the historical middle portion out to a level with the House and Senate wings on each side, and the construction would be of marble. Opponents of the plan claim that the historical value of the building would be lost by the proposed changes.

THOUGHTS AND SMILES

A definite improvement in 5-cent cigars at an early date is indicated. A scientist recently succeeded in removing the odor from cabbage.
—Washington Post

Three elephants escaped from a circus in England the other day, stole a lot of food from a market, and ended up by eating quantities of soap. Probably just their way of washing down a meal.—Boston Transcript

Over in the district where the drought is severe, one man is reported as saying if enough rain ever falls to wet him he'll have to be revived with three buckets of dust.
—Albuquerque (N. Mex.) Journal

Pride goeth before destruction, and an haughty spirit before a fall.
—Old Testament

Ah, how remote seems the time when everybody was eager to paste the old Blue Eagle in the window instead of in the slats!
—Boston Herald

The pioneer fathers put up with considerable, but a suitor couldn't honk a horse in front of a sweetheart's cabin.
—Montreal Star

A correspondent complains that the girl he loves never looks twice at any presents he gives her. He should send her a mirror.
—Humorist

Farmers in Ohio, a news item says, are installing radios on their cultivating machines. Can't you just see Secretary Wallace down there in Washington saying, "Calling all cultivators, calling all cultivators?"
—Boston Transcript

Voting is of minor importance; not the vote, but the discussion before the voting takes place is the essential characteristic of democracy.
—C. Delisle Burns

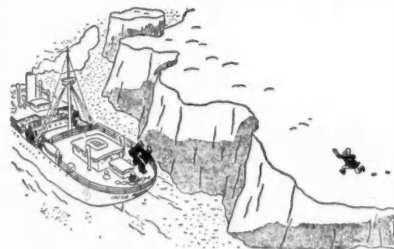
State of Massachusetts has established a school for janitors. When the football season returns the school's scrub team should be pretty good.
—Border City Star

The weary laborer milking 20 cows in the shank of the evening may be encouraged by the thought that Gene Sarazen, golf champion, attributes his success to farm life.
—Rockford (Ill.) Register-Republic

In the United States . . . academic freedom has never been a very substantial reality in any except a small number of our many colleges and it has hardly been even a fiction in the public schools.
—Joseph Wood Krutch

"I have always wondered why a high mountain top should be considered the ideal place for yodeling," remarks a writer. Apparently he has never heard any yodeling.
—Punch

A traveler says he once lived for three days on a tin of sardines. He must have been terribly cramped for room.
—Punch



—From LIFE
"THIS'LL TEACH THE ADMIRAL TO BE ON TIME."

If Huey Long gets away with his "Every Man a King" idea, he ought to go a step further and make every base ball club a pennant winner.
—Southern Lumberman

A stage actress dislikes the screen because she can't hear the audience's reaction to her work. Doubtless some movie actresses prefer the screen for the same reason.
—Worcester Evening Gazette

Ukuleles with one string are now on the market. Fine! Soon they may be making 'em without any.
—Border Cities Star

"What does a man do when his wife has prepared nothing for his evening meal?" asks a writer on domestic subjects. He usually chooses that evening to bring home a few friends to dinner.
—Humorist



ON WITH THE SHOW!
—Mun in Hamilton (Ohio) Journal

AROUND THE WORLD

Netherlands: The Nazis have succeeded in winning a large following even in the peace-loving Netherlands. On April 18, in elections for members of local legislatures, the Nazi party polled 264,000 votes, over eight per cent of all the votes cast. Since this is the first entry of Nazis into Dutch politics it is really a very good showing. As a result 39 Nazis have won seats in provincial parliaments. The upper house in the national legislature is elected by local assemblies, and therefore it is expected to count at least two Nazis among its members when it reassembles.

Geneva: On April 17 the Council of the League of Nations issued a resolution with respect to Germany's rearmament which surprised observers and enraged the Nazis. In measured terms it accused Germany of treaty-breaking. "The Council," it read, "... declares Germany has failed in the duty which lies upon all members of the international community to respect undertakings which they have contracted and condemns any unilateral repudiation of international obligations." It went on to announce that the governments would continue to seek agreements to further the maintenance of peace, and decided to set up a committee to block out a program of economic and financial measures that the nations might take against countries which break treaties.

The importance of the Council resolution lies in its unanimity. Had such a statement come from Stresa it would not have been nearly as forceful since the three Stresa powers were directly affected by Germany's rearming. In the Council, however, the censure resolution won the votes of Russia, Holland, Spain, and such distant lands as Chile, Argentina, and Mexico. Even Poland approved the resolution despite its professions of friendship for Germany. Only the Danish delegate refused to vote; his excuse was that the resolution was tactless, but his real reason was probably his fear that Germany might retaliate against Denmark.

Germany: Hitler seemed quite taken aback by the turn of events in Geneva. For a day or two it was believed that he would make one of his sensational counter-moves—perhaps a scathing radio speech and a contemptuous refusal to have nothing further to do with the powers. Nazi newspapers were angry at Great Britain for having "betrayed" Germany. Premier MacDonald, personally convinced that the Council had gone too far, tried to reassure the German people by a radio address from London.

On Hitler's birthday, April 20, there was the usual frenzied celebration in Berlin. Hitler found it a good opportunity to send a reply to the Council's resolution. It ran as follows:

The German government challenges the right of the governments which took part in the resolution of April 17 in the Council of the League of Nations to set themselves up as judges of Germany.

The German government sees in the resolution of the Council of the League of Nations an attempt at new discrimination against Germany and consequently rejects it in the most resolute manner. It reserves to itself the right to make known soon the attitude it will adopt on the various questions dealt with in the resolution.

At first sight it seems a high-handed sort of statement, but in point of fact it was rather pleasing to the great powers. "After all," they murmured, "you couldn't expect Hitler to be humbly submissive. We were afraid he might decide to have nothing more to do with us. Instead, he leaves the door open for future negotiations by mentioning that he will have more to say

about the matter in the near future." No one can say what Hitler has in mind, but something is undoubtedly brewing in Nazi headquarters.

France: While Europe waits for Hitler's next pronouncement, preparations for all possible developments are going on. In Germany military organization is advancing

military alliance. She desires merely a pact which will have the effect of putting teeth into the Covenant of the League of Nations. It will provide not for military aid to defenders, but for economic and financial sanctions against an aggressor state. The Covenant calls for such sanctions against aggressors who are members of the League, provided that the Council unanimously approves. France and Russia

section is only seven miles long, the whole underground system will have a total length of 50 miles when it is finished.

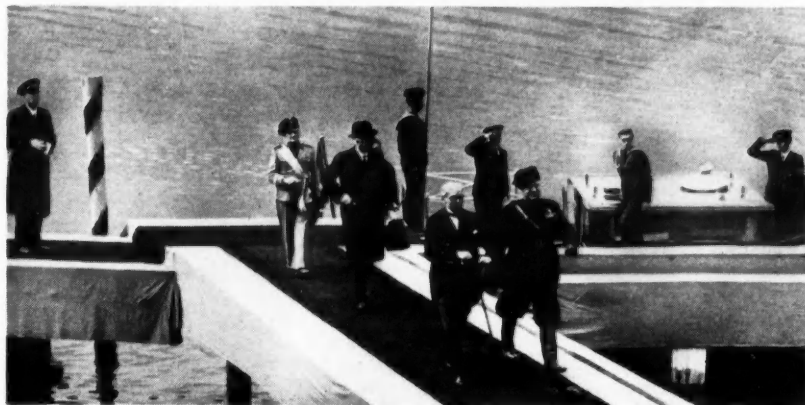
The building of Moscow's subway has features of unusual interest. The soft soil made tunneling impossible at first and many foreign engineers and workmen had to be called in to aid. At length, in 1931, the soil was treated with a new chemical that prevented cave-ins until the tube was pushed through. Still it was a difficult task. Young and enthusiastic communists volunteered assistance on their weekly rest days. The finished job is a monument to their energy. Its marble-faced stations, each of different architecture from the others, are all fitted with indirect lighting. They contrast strikingly with the stations of New York, London, and Paris subways, which are all plastered with advertisements.

Great Britain: An unofficial aviation conference assembled recently in London. It met to discuss the new questions of warfare and defense that have arisen as a result of the progress of aviation. The delegates agreed that planes made attack more swift and more sure, rendered old types of fortification useless against an invader, and exposed distant cities to enemy attacks. Even passenger planes were menaces, since they could so easily be turned into bombers. It was this very fact that contributed so greatly to Europe's nervousness over the prospect of war.

The conference offered no resolutions, but some of the speakers presented suggestions as to how the danger of air warfare might be avoided. Many favored complete abolition of national air forces and the substitution of an international air fleet commanded by the League of Nations. Others proposed that all civil aviation services be united into one international organization, so that no nation could commandeer passenger planes for military purposes.

Bolivia: We have not reported the progress of the Chaco War for some time, largely because affairs had reached a deadlock. Paraguay controlled almost the entire disputed region but was unable to take Villa Montes, Bolivia's last Chaco stronghold. The Paraguayan general, therefore, abandoned the Villa Montes siege and marched north in the Bolivian province of Vera Cruz. He now commands over a thousand square miles of Bolivian soil. Since the Bolivian Indians, who constitute a major part of the population of Vera Cruz, are already murmuring against their white masters, Paraguay hopes to stir up a revolt among them and induce them to declare their independence.

Bulgaria: King Boris III of Bulgaria, 41 years old, has become Europe's youngest dictator. For the second time this year he has turned the tables on the Bulgarian military league which tried to control affairs and even threatened to dethrone the king. About two months ago, Boris drove out Premier Georgieff who had become too high handed and had attempted to suppress all opposition. General Zlateff became premier, but recent troubles, culminating in the arrest of ex-Premier Georgieff for breaking his own decree against political parties, caused Zlateff's resignation. Boris, weary of generals, appointed a civilian prime minister. Thereupon generals and colonels swarmed into the palace and said they would not stand for it. Boris called in a crew of 200 military cadets, who with drawn bayonets surrounded the surprised army leaders. Then Boris made himself dictator.



INCIDENT IN STRESA

Ramsay MacDonald and Sir John Simon, British delegates, as they arrived in Stresa for the recent three-power conference. They are received by their host, Mussolini.

© Wide World

ing by leaps and bounds, airdromes are being built everywhere, and every scrap of waste land is being reclaimed to make the country self-sufficient in the event of a blockade. France has lined up her strength near the German frontier and built up a chain of formidable fortifications. Italy prepares for the Rome Conference of May 20, hoping to unite all the Danubian states into some sort of guarantee against German aggression southward. At the moment, however, it is the prospect of a Franco-Russian alliance that occupies the center of the stage.

At this writing the negotiations between France and Russia seem to have run into rough weather. Russia is willing to go to almost any extreme—even to a military defensive alliance which would require

propose to buttress the Covenant by providing sanctions against aggressors who do not belong to the League, and against all invaders even though unanimity in the Council cannot be obtained. In fact, of course, both powers have the possibility of German aggression in view.

U.S.S.R.: The Soviet government long ago discovered the necessity of wage incentives to increase production. It found that if all were paid equally for their work and no extra inducements were offered for speed, workmen were inclined to grow lazy. So it introduced piece-work systems like those in America. The result was that workmen rushed through their tasks so hurriedly that the products of



SPRINGTIME IN VIENNA

The Austrian capital is no longer the gay metropolis it once was. Tension has replaced mirth as the people wonder what their fate is to be.

© Acme

either power to send troops to aid the other in case it were attacked. France is hesitant, however. Most Frenchmen agree that some sort of mutual assistance pact should be drawn up with Russia, but they disagree as to how far they can afford to go. Should they, for example, lend aid to Russia in case Germany invades the Baltic states, a circumstance which Russia would regard as an attack upon her? Conservative Frenchmen do not like the idea of being too friendly with the Communists, but some, convinced that Germany means war, are ready to accept a communist-capitalist alliance as the lesser of two evils.

In any event, France will not agree to a

their labor were poorly made and often quite useless. The tremendous wastage cost the government millions of rubles. Now a quality as well as a quantity incentive is being offered. Products of factories will be classed as good, very good, or excellent, and workmen will be paid accordingly.

Industrial Moscow has grown so rapidly in the last few years that the congestion of traffic is a serious problem. Observers report that during rush hours it is a common sight for workmen to be seen clinging to the cow-catchers of street cars. With the opening of the first section of the Moscow subway, however, the end of this overcrowding is in sight. Though the first



See It and Read It

Following the great success of that top-notch movie, "David Copperfield," a film company has produced another movie based on a well-known classic, which promises to be equally as good. The movie to which we refer is "Les Misérables," based on Victor Hugo's famous novel by that name. Victor Hugo is one of France's best-loved writers, and this book is considered by many to be his masterpiece. The title means "The Unfortunate," and refers to the poor and oppressed people in France just after the French Revolution. It is the story of Jean Valjean, who is persecuted all his life for having stolen a loaf of bread for some starving children. A most moving and dramatic tale, "Les Misérables" is peopled with hundreds of powerfully drawn and lifelike characters. We are calling your attention to this book for two reasons: first, because you will enjoy the movie more for having read it, and second, because few modern works of fiction can compare in interest and quality with some of the old classics. You can add "Les Misérables" to your library at the cost of only \$1, by ordering it from The Modern Library Series, New York.

Stories of a Wanderer

"This Wanderer," by Louis Golding (New York: Farrar and Rinehart. \$2.50), is a volume of short stories ranging in subject matter all the way from ghost stories to tales of romance and adventure. The author is a master of the short story, which is considered by many to be the most difficult of all forms of writing. His stories are admirably constructed, so that they keep the reader guessing until the very end. The characters are realistically drawn, and the style is one of powerful simplicity. Mr. Golding's book is a panorama of all sorts of strange and interesting people, and of near and far corners of the earth.

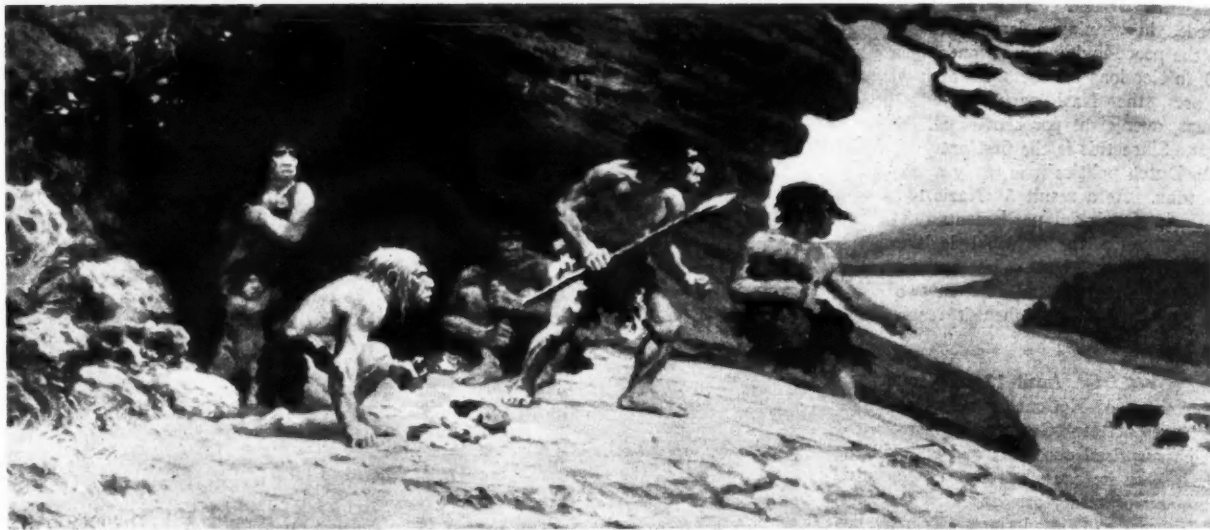
Into the Arctic

In the history of man's conquest of the world, few chapters are more exciting than the story of his explorations in the Arctic regions. The difficulties and dangers encountered in this little-known part of the world offer a rich subject for tales of ad-



CAPTAIN BARTLETT

Illustration from "Sails Over Ice."



NEANDERTHAL MAN

Illustration from "Before the Dawn of History."

venture. And now Captain Bob Bartlett takes us along with him on some of his interesting voyages to these regions in a new book entitled, "Sails Over Ice" (New York: Charles Scribner's Sons. \$3). Captain Bartlett is a well-known explorer who has made many trips to far-away corners of the Arctic seas, and who accompanied Admiral Peary on the latter's voyage of discovery to the North Pole. This book is an exciting account of nine of these trips, made in his beloved schooner, the *Morrissey*. It is a grand book, packed with adventure, information, and humor, and we highly recommend it to lovers of stories of the sea.

Pitkin Carries On

Walter Pitkin has one special quality as a writer which has put several of his books into the best-selling class. He has the kind of style which makes easy and interesting reading of subjects generally considered dull and difficult. He demonstrates once more this admirable gift in his latest book, entitled, "Capitalism Carries On" (New York: Whittlesey House. \$1.75). Discussions of economic questions are generally fraught with difficulties for the average young person, but Mr. Pitkin writes so clearly and simply that it is easy to follow his arguments. In this book, he shows why he disagrees with those who believe that the capitalist system is doomed to disappear. He points out that new opportunities for profit-making and individual initiative are constantly opening up, despite the assertions of many people to the contrary. In his opinion, these opportunities are to be found in the fields of low-cost production of goods, and in the rendering of services. We are living in an economy of abundance, he says, and there is still plenty of room for expansion in these fields. Compared with many recent books on similar subjects, this one is refreshingly optimistic, and may give you some new ideas about careers.

Chaucer—Streamlined

Nothing gives book lovers greater pleasure than the possession of at least one beautifully bound and illustrated volume. Although most of such editions are so expensive as to be prohibited to

most people, we came across one the other day which is unusually handsome, and yet manages to stay within the limits of a reasonable price. It is a collection of Chaucer's famous Canterbury tales. Chaucer is the father of English poetry, but as he wrote in the fourteenth century, his English is difficult to understand. In this edition, however, his poems have been transposed into modern English by J. V. Nicolson—"Canterbury Tales," by Geoffrey Chaucer. (New York: Covici, Friede. \$3.75). In his translation, Mr. Nicolson has retained all the charm and vigor of the original. This edition is illustrated by the famous artist, Rockwell Kent, who contributes some 20-odd full-page woodcuts, and numerous smaller illustrations besides. The binding and typography are of a high quality. It is a book which all students of English literature, as well as those who love handsome volumes, would do well to acquire.

When the Earth Was Young

A few fossils scattered here and there—bones dug up from an old lake-bed, or footprints embedded in a rock—such is the slender foundation upon which scientists have been able to reconstruct a pretty good picture of what life in prehistoric times was like. An expert in this field is Charles R. Knight, who recreates this vanished age for us in a fascinating book, entitled, "Before the Dawn of History" (New York: Whittlesey House. \$2.50). Mr. Knight is first of all an artist, and his paintings of primitive man and animals adorn the walls of many an important museum. He uses his own illustrations in his book. In word and picture he describes in detail the giant creatures which once roamed the earth, and outlines the development of man, from the earliest Neanderthal to the more advanced man of the Polished Stone Age. An interesting and useful book. It dramatizes prehistoric times so effectively that the reader cannot but derive considerable benefit from it.

With the Magazines

Nathaniel Peffer believes that too much emphasis is placed on capitalism as the chief cause of our troubles—or as the chief boon to our civilization, depending on our economic beliefs. To him, capitalism is not the question of the age; it is merely one link in the chain of social development which was created by the coming of industrialism. Instead of regarding it as the cause of imperialism, he regards

both capitalism and imperialism as results of machine industrialism. Thus he concluded his absorbing article, "Is Capitalism to Blame?" *Harpers*, April, 1935, with the argument that even when we have discarded the capitalist system there will still be many serious maladjustments in our society. These arise chiefly, he believes, because we have not yet created a philosophy and a way of living which are consistent with social and economic conditions. Only time can provide this scale of value and its accompanying sense of harmony. In the meantime, Mr. Peffer points out, we need not sit with folded hands. The economic change can be made, and it will at least be a major contribution on the part of our civilization.

For all our unending stream of household inventions and modern conveniences, we manage to suffer just about as many annoyances as our most primitive ancestors. Indeed, Robert Littell thinks life in a world of streamlined trains is even more vexatious than life in a world of oxcarts. His article in the April, 1935, *American Mercury*, called "The Price of Comfort," is an amusing Lamb-like essay which should not be taken too seriously. It is a plaintive call for the broom, the coal cellar, and the ice box, in place of the vacuum cleaner, the oil heater, and the electric refrigerator. There is probably just so much "sweat and discomfort allotted to us," Mr. Littell concludes philosophically, and if we try to get out of our share, nature will find a way to get back at us. Thus, "if we manage to save time by turning a switch where our ancestors chopped wood, life sneaks up on us stealthily from the rear and suddenly we find all that saved time lost in waiting for the traffic lights to turn green."

THE AMERICAN OBSERVER

A Weekly Review of Social Thought and Action

Published weekly throughout the year (except two issues in December) by the CIVIC EDUCATION SERVICE, 744 Jackson Place, Washington, D. C.

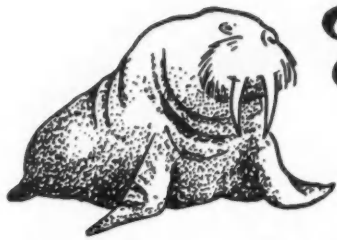
Subscription price, single copy, \$2 a calendar year. In clubs of five or more for class use, \$1 a school year or 50 cents a semester.

Entered as second-class matter, September 15, 1931, at the post office at Washington, D. C., under Act of March 3, 1879.

EDITORIAL BOARD

CHARLES A. BEARD HAROLD G. MOULTON
GEORGE S. COUNTS DAVID S. MUZZEY
WALTER E. MYER, Editor

PAUL D. MILLER, Associate Editor



The Walrus

"The time has come, the walrus said, to talk of many things: of shoes—and ships—and sealing wax—of cabbages—and kings."

Our America — In another column of this paper there is a reference to glimpses of America as seen by Sherwood Anderson in the course of his travels over the country. I have not had the privilege of visiting and studying different sections minutely—not for some time—but last week I was much impressed by what I saw from a car window as I traveled through central Kentucky. I was on a slow train. We covered 172 miles that forenoon, and in the course of this distance the train stopped at exactly 50 stations. This meant that we passed through a village on an average of every three and a half miles. The thing that impressed me was the ugliness, the drabness, of these villages, the evidences of poverty everywhere. The houses were unpainted. The yards were dirty and unkempt. The inhabitants appeared to be listless and without hope. The children were dirty and disheveled. We commonly think of slums in association with large cities, but it was a series of slums I passed through that morning, rural slums, quite as poor and dispirited as those which one will find on the east side of New York. The farming country, as well as the villages, was poor and drab and mean. The standard of living throughout this section must be extremely low and the people must be as lacking in the means of spiritual as of material sustenance.

This situation is by no means confined to the portion of Kentucky through which I traveled. Not all America is like that, to be sure. Not all Kentucky is, for there is beauty in the blue-grass country and elsewhere in the state, and there is beauty and comfortable living in patches here and there throughout the land. But a very considerable part of America consists of urban and rural slums. That is a fact which one cannot but see as he travels over the country by train or automobile. A few of the American people have done well, but as a whole they have not manipulated the rich supply of resources with which nature has endowed them in such a way as to give cause for great pride.

Youth Movements — I have become acquainted with certain youth movements at close range lately and I have not much to say for them. A few young men in different parts of the country are trying to organize what they call youth movements or youth congresses. They hold meetings from time to time, but those who attend the meetings do not represent any considerable number of young people or of young people's organizations. The self-appointed leaders of the so-called movements induce a few young men and women to come together and act as delegates. Then the attempt is made to put over some idea. Some of the youth movements work for radicalism, others for conservatism. None of them that I know of are trying to stir the young men and women of the nation to form themselves into clubs and take an active interest in national and local affairs. Such youth movements as have been organized appear to have no motive behind them other than to gratify the ambition of those who happen to lead them. Perhaps that will not always be the case. I hope not.

Weary Reformers — The day after my trip through Kentucky I visited Knoxville, Tennessee, headquarters of the TVA. to see how that experiment was going. I found the same efficiency, the same honesty of purpose, the same sound administration, with which I had become familiar when I was in the Tennessee Valley last summer. But I noted a waning of enthusiasm among the members of the staff, a slight drooping of confidence. Perhaps this was due in part to a fear that the work of the TVA may be declared unconstitutional. In part it may be a natural reaction from an early enthusiastic effort which could not bring about immediate results.

Debunking War — One of the most powerful plays of the year, "Flowers of the Forest," by John van Druten, is an overwhelming indictment of war. It shows war as a betrayer of idealism. The leading characters of the play looked upon the war when it first broke out as a beautiful thing, as something which would draw out the finest and most unselfish elements of character; that would give Englishmen something to live for (the characters in this drama are English). It turns out that war, in all its inglorious brutality, dulled the edge of idealism, bringing death, moral degradation, despair, disillusion. Miss Katharine Cornell has the leading part in this play which is now running in New York.

—The Walrus

Economics Govern Policies of Nations

(Concluded from page 1, column 1)

they can produce on their own land, though they need machinery and many kinds of equipment from abroad. They have all the land they need and are not trying to expand. They are so busy trying out their socialistic venture that they would prefer to remain at peace with other nations. Their chief trouble is that they have ambitious neighbors on two fronts. Japan is expanding in the east and is hungry for territory now held by Russia. And on the west Germany looms as a threat, for Hitler has declared that Germany should expand eastward at the expense of Russia. So the Russians are in a defensive position, bent on maintaining the territories they have against attack from either direction.

Great Britain alone is poor and helpless. The island does not produce enough of the necessities to sustain the population. But the British control a number of colonies. Taken together this colonial domain is

much larger than the United States. These colonies are rich in natural resources. Then there are the British self-governing dominions, such as Canada and Australia. They are not controlled by Great Britain but usually cooperate closely with her. Britain, together with her colonies and dominions, occupies about a fourth of the world's land area and is fairly self-sufficient.

The British problem is to keep the lines of communication open with all these distant lands. Great Britain must be sure that she can always get at their materials, and that she shall be free to sell them her



BAD NEWS FOR ADOLF
—Kirby in N. Y. WORLD-TELEGRAM

manufactured goods. That is why the British always maintain a great navy. They are not afraid of attack by the United States so they do not object to America's having a navy as large as theirs, but if any European power were to challenge the British rule of the seas, as Germany was doing before the World War, war with the British would probably result. The British do not find their own colonies and dominions a sufficient market for their goods, however. They need to make sales of such products as cotton and woolen goods to other countries. China is a field which they value. But the Japanese are getting that field away from them. The Japanese are also invading the markets of India. This hurts British industry and increases British unemployment. The British are, therefore, strongly against the growth of Japanese influence in the Far East, just as the Americans are.

France and Germany

France can be considered very briefly. The French population is not growing. The country is not crowded. Furthermore, the French produce a wide variety of materials. Nor is that all. France has colonial territories in Africa as large as the United States. The French problem is to keep what she has. If Germany becomes strong again she may seize the French iron mines in Lorraine. She may go further into French territory. So, according to French policy, Germany must be kept weak. Her expansion must be prevented. To effect this result, France joins in alliance with other European nations. France must also keep the lines of communication with her colonies open. She must maintain a strong naval force in the Mediterranean.

The Germans have plenty of iron and coal but they do not raise enough food to sustain them and they lack petroleum, copper, lead, sulphur, cotton, aluminum, rubber, manganese, nickel, and other essentials. They feel the urge to expand, not merely for sentimental reasons, but so that they can be assured of food and clothing and jobs; so that they will not be obliged to depend upon other countries for the materials which are required if factories are to

operate and if life is to go on normally.

If Germany could annex Austria it would bring her nearer to the rich agricultural districts of Hungary, Rumania, and Yugoslavia. She would then be in a better position to obtain food and materials and to sell the products of her industries to the agricultural populations of those countries. She would also like to gain back some of her former colonies in Africa in order to have new sources of raw materials. Germany, with a growing population, poor soil, inadequate mineral resources, looks about and sees tariff walls raised against her, preventing trade with her neighbors. She feels strangled and experiences a tremendous urge to break through the barriers by force of arms. Such is the economic basis of German ambition and German imperialism.

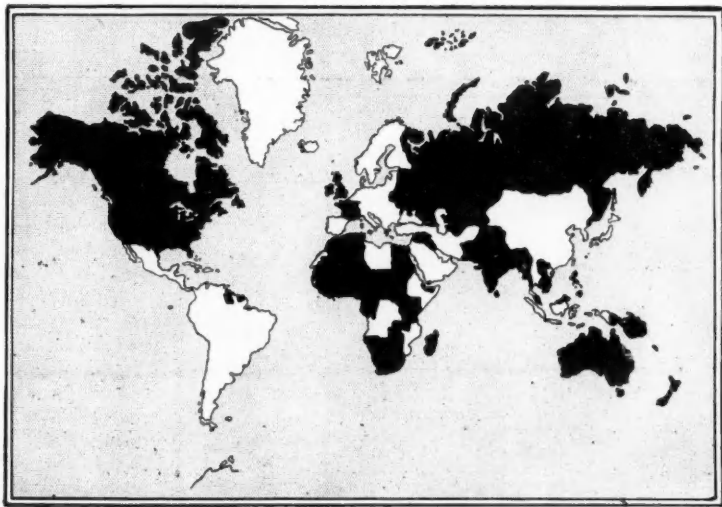
Italy is the poorest of the great nations in resources. She could feed most of her people, but could not develop industrially without using materials from the outside, for she has little iron and practically no coal, copper, cotton, rubber, nickel, or petroleum. There is little wonder that Mussolini, ruling over a growing population, now numbering 43,000,000, without the means of sustaining life and comfort, should dream of winning control of the whole Adriatic territory, expanding into the rich lands of the Balkans. There is little wonder that Italy is building an African colonial empire, and that the Italians are threatening to penetrate the potentially rich Abyssinia. When we take the Italian economic situation into account we see why Italy objects to Germany's becoming strong enough to dominate Central Europe and the Balkans; why she insists upon a large Mediterranean navy—as large as the French; why lately she is sending her troops to the borders of Abyssinia.

Japan

Japan has a population half that of the United States crowded into a territory smaller than California and far less fertile. In the United States there are 100 persons to every square mile of arable land; in Japan, 2,418. Japan's population is swelling at a rapid rate. These crowded Japanese must develop industry if they are to live in any semblance of comfort. They must have factories, must engage in manufacturing. Yet they are almost destitute of raw materials. They have made their chief progress in the textile industries; the making of woolen, silk, and cotton goods. Yet they must import their raw wool and cotton. They must import their steel, their machinery. They depend upon an outside world which may not always be friendly. What are they to do?

They have an answer to this question. Go into China. They have already taken Manchuria, which has a considerable quantity of food products and minerals. They are going further. They will have Chinese materials and will build up a Chinese market for their goods. Then they may rest in greater security. They mean business about this. They think it is a matter of life or death. The Americans and British may protest, but nothing but force, administered in Japan's home territory, can prevent the Japanese expansion.

How can peace be maintained in the world when there are so many conflicts of policy among nations and when these policies are built on the vital needs of men and women? The best hope seems to lie in working out better trade relations. If each nation knows it can trade with its neighbors unhindered by high tariff barriers, confidence may gradually be restored. Nations may be willing to live without controlling necessary materials if they feel sure these materials may be freely brought in from outside in return for the goods of which the nation has a surplus. This confidence cannot be built up easily. But unless it develops and unless international trade becomes freer of restrictions, it is hard to see any other outcome than continuing wars to obtain materials and markets—wars which may eventually bring such chaos and destruction as sane people shudder to contemplate.



—Drawn for THE AMERICAN OBSERVER

FOUR NATIONS CONTROL MOST OF THE EARTH'S SURFACE

The areas in black correspond to the territory possessed by the United States, France, Great Britain, and Russia. Together they come near having a monopoly of the world's raw materials.

The Future of the NRA Is Weighed

(Concluded from page 1, column 4)

dertook to accomplish several things. Chief among its objectives were the following: (a) *Wages were to be raised.* This would improve living conditions of those who had been receiving very low wages, and it would add to the purchasing power of workers generally. These workers could then buy more goods. It was intended that

however, have balked. They have hindered the NRA in every possible way. They wrote codes from a selfish standpoint rather than trying to increase the purchasing power of their workers. In many cases, they have not given labor the right to organize. Some of these big business leaders have refused to obey codes which were written for their industries. This has made the carrying out of the purposes of the NRA very difficult indeed.

In looking over the two-year history of the NRA, it is apparent that certain objectives of the program have been realized and that others have not. Even the loyal friends of the NRA admit this. There have been a number of unexpected developments. Here, in brief, are some of the outstanding results of the NRA experiment:

Principal Results

1. *Hours were reduced in most industries.* This led to a certain amount of job-sharing. Friends of the NRA say that between two and three million men found employment as a result of the NRA. Others say that this figure is far too high. There is no way of telling just how much reemployment resulted from this program. In many industries employers who

were forced to shorten the hours of their workers compelled them to work harder and faster. They forced employees to produce as much in the shorter hours as they would be producing in the longer hours. In this way they avoided the necessity of employing additional workers. This practice, which was by no means universal but fairly general, has given rise to bitter disputes between employers and organized labor.

2. *Workers who had been receiving very low wages were helped in most industries.* Minimum wage rules are put into all the codes, but many employers have ignored these rules. Nevertheless, the low-wage groups are probably better off as a result of the NRA, although prices have risen so fast that in many cases these workers, with their increased pay, have no more buying power than they had before. Workers who had been receiving higher wages before the NRA was adopted are worse off than they were before because in most cases their wages have not been raised or have not been raised much and the prices of the things they have to buy have increased materially.

3. *Child labor has been banned in factories, but child workers in street trades and on the farms have not been affected.*

4. *The NRA has been responsible for a rise in prices, though other factors have also been at work in bringing about the increase in prices during the last two years.* The work of the Agricultural Adjustment Administration (AAA), for example, by cutting down farm production and by paying farmers for keeping their lands idle, has helped to push along price rises. Still other factors have had a part in the movement. The NRA, however, is partly responsible. It has helped in two ways to raise prices. First, a number of NRA codes provide that minimum prices be fixed for products. When these codes were drawn up, rules were established saying that particular articles might not be sold by any manufacturers or retail stores at less than a certain price. In most cases these prices were higher than those which would otherwise have prevailed. This has tended, therefore, to cause a general rise in prices.

Another reason that prices have gone up under the NRA is this: Factories and business concerns were compelled to pay higher wages in many cases. Many of them were unable to do this without charging higher prices for their goods. Others could have stood the additional wage costs but they saw many concerns raising prices, so they fell in line and did the same.

Living Costs Soar

Has this rise in prices been a good thing? It has helped certain of the manufacturers and dealers, but it has been harmful to workers and consumers generally. In fact, the Brookings report says that workers as a whole are not any better off than they were two years ago. It is true that wages in general have increased, but the cost of living has increased to such an extent that workers and their families, who make up the bulk of the consuming population, are in about the same fix that they were when the NRA came into existence.

5. *In certain industries code provisions have operated to the advantage of big business concerns, while small concerns have been either hurt or driven out altogether.* Here is an example of the way that result has come about. A small firm, before the NRA was created, was sometimes able to compete with large companies by selling its products in its own locality at a lower

figure than that charged by the large concerns which operated over the whole country. Then came the code rule fixing the same price for all. Customers soon found that they could not buy at lower prices from the small local firm. They were inclined then to buy the nationally advertised products of the large companies as



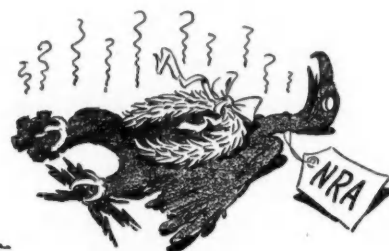
—Kirby in N. Y. WORLD-TELEGRAM
A BIRD IN THE HAND IS WORTH TWO IN THE BUSH

this would increase the demand for goods, which would call for enlarged production and increased employment. (b) *Child labor was to be abolished.* (c) *Working hours were to be limited.* This would share the work. No workers would be employed for long hours. This would require the employment of more men. It was expected that this shortening of the hours of the work-week would result in the reemployment of several million men. (d) *Workers were to be given the right to organize so that they might be better able to protect their interests.* (e) *Cutthroat competition among business men was to be prevented.* Certain uniform rules as to labor, working conditions, price-cutting, and other competitive practices were to be established in every industry to protect business firms against unfair practices among competitors.

These results were to be accomplished through the establishment of rules or codes in each industry. All the firms engaged in a particular industry were to get together and adopt rules limiting hours of labor, fixing a level below which wages should not fall, declaring what acts were fair and what were unfair, and in other ways regulating the operations of the industry. Representatives of the government participated in the drawing up of codes. If an industry formed a code which, in the opinion of the President, did not carry out the spirit and intentions of the National Industrial Recovery Act, the President might set the code aside and the government could write another one in its place. After a code had been adopted by an industry the government, acting through the National Recovery Administration, was to see that all the firms in the industry obeyed the rules which had been established.

Early Obstacles

It was clear from the first that if this program were to be fully satisfactory, business itself would have to cooperate. If the heads of all the business concerns in each industry should set to work honestly and whole-heartedly to live up to the purposes of the NRA, they could have written codes to carry these purposes into effect. And if business had been sympathetic, the codes or rules would have been enforced. Then we would have had a fair trial of the NRA program. But business has not cooperated whole-heartedly. A number of business men, some of them very influential, have supported the purposes of the NRA cordially. Many captains of industry,



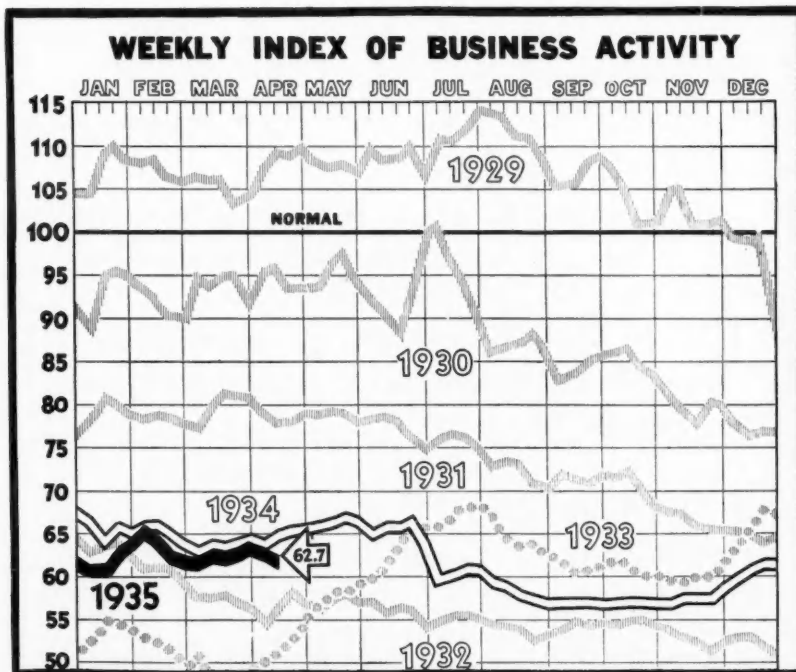
—Shoemaker in Chicago DAILY NEWS
BURY IT!

they could get these products at the same price that the small producer charged. In other cases, relatively inefficient small producers found themselves unable to pay the wages fixed in the code—wages which the large, wealthy firms could pay. Perhaps it is a good thing that these small inefficient firms should go out of business. The result has been, nevertheless, to throw a larger share of the country's business into the hands of big corporations. It has brought about a greater concentration of wealth.

6. *A stimulus has been given to the unionization of labor.* Labor union membership has grown rapidly since the NRA was established, with its Section 7-A which gives labor the right to organize. In many cases there have been disputes as to just what that famous section means—as to just what kind of labor organizations the companies are obliged to recognize and deal with. These disputes have led to a number of serious strikes.

The Harrison bill, extending the life of the NRA, provides for certain amendments. In general it may be said that price-fixing in the codes will be frowned upon. This will tend to check the rise in prices. Probably it will also serve as a protection to small business units. Perhaps the most important amendment will provide that only the larger industries, doing an interstate business (across state lines), will be brought under codes.

As things stand today, nearly all classes of the population are complaining about the NRA, but few want it to expire altogether. In general, business would like to keep the codes but have less government supervision. Many employers would like to do away with Section 7-A. Workers want to keep 7-A and put more teeth in it so that their right to form unions will be unquestioned. Consumers want to stop price-fixing. And so we have a jangle of competing interests, with an apparent majority of the people calling for a continuation of the NRA with amendments, but with no very general accord as to what the amendments should be. Until the Brookings report was published few thoughtful people recommended the complete scrapping of the NRA, but during the last week or so, many have urged that, instead of amending and extending the NRA, Congress would do well to abandon the experiment altogether. Thus the whole problem has been rendered more complicated and the ultimate outcome more uncertain.

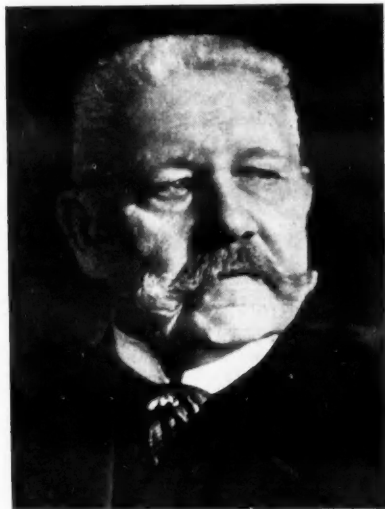


—From BUSINESS WEEK
BUSINESS ACTIVITY DURING THE FIRST MONTHS OF 1935 AS COMPARED WITH PREVIOUS YEARS.

THIS is the tenth installment of this feature. These three imaginary students will meet each week on this page to talk things over. The same characters will be continued from week to week. We believe that readers of THE AMERICAN OBSERVER will find it interesting to follow these discussions week by week and thus to become acquainted with the three characters. Needless to say, the views expressed on this page are not to be taken as the opinions of the editors of THE AMERICAN OBSERVER.

Charles: Well, I've been doing a little reading this week. After looking over the books recommended in last week's AMERICAN OBSERVER, I decided on two or three to get at the library or else to buy. At the top of the list I put Sherwood Anderson's "Puzzled America" and I was able to get a copy. It's a good thing to read a book like this now and then. It helps one to see what the people of the country are thinking about, what they are really like. Those of us who can't travel around a great deal scarcely understand what America is. We see just a little bit of it. Sherwood Anderson went about among the people, especially in the small towns, and found what was going on in the minds of the inhabitants. He is a good reporter and so he helps us to get a picture of things which is almost as good as if we had gone about ourselves.

I am impressed with the fact which was mentioned in THE AMERICAN OBSERVER. Anderson did not find that the people, or



© Wide World

PAUL VON HINDENBURG

many of them, were doing much clear thinking about the fix they are in. They are confused and puzzled; and many of them are inclined to blame themselves for their hard lot. It seems to me that that is a very unfortunate thing. We'll never get anywhere until people awake to the need of taking action to improve economic conditions.

John: I'm not at all sure about that. Wouldn't it be a good thing if more people felt responsible for their situations? It seems to me that we'll never get anywhere until each man learns to carry his own weight in the boat and to take care of himself. We'll be done for as a nation if all the people go to blaming the government or social conditions for their misfortunes, or if they come to expect the government to help them out of every mess they get into. In my opinion, an attitude of that kind is destructive to character. What we need is a greater sense of personal responsibility on the part of everyone.

Charles: The trouble with your idea is, John, that you don't see conditions as they are. You assume that the troubles of individuals are due to their own shortcomings. That isn't why a fourth of the heads of families in this town are out of work. It isn't because they are stupid or lazy or inefficient. It's because the factories are closed, or else they are working on short time. These men have been dismissed not through any fault of theirs but because our factories couldn't sell their goods. The reason the factories can't sell their goods is that there's something wrong with our whole economic machinery. Now, if people go about talking about the whole

Talking Things Over

Three Students Tell of Their Week's Reading of Books, Reviews, and Magazine Articles and of How One May Keep in Touch With Current Literary History.

thing as if it were a matter of individual fault, they'll miss the point. These people in our town who are out of work will not go back to work until political and social changes are made. Each one of these unfortunate men—and your own relatives and mine are among the list—might be perfect in character and yet they'll walk the streets out of jobs until we correct some of the things that are at fault in our economic life. The more we talk about individual faults for this calamity the longer we will be in getting around to the place where the trouble lies.

Mary: Of course, there's something to be said on both sides of this argument. A great deal of the trouble in this world is due to the fault of individuals. We need to develop moral character and personal responsibility just as much as we can. I don't think there can be too much teaching of the necessity of industry and thrift and honesty and sobriety and efficiency on the part of every individual. If each person had all these personal virtues, a very large part of the troubles in this world would be avoided. But just now, as Charles says, we need to put the emphasis on the correcting of social and political and economic wrongs, for the present crisis that is bearing down so heavily upon the whole world and upon all of us is chiefly social and not individual in its causes.

Charles: I am glad to get that support from you, Mary. Now let's hear what you've been reading during the week. Do you happen to have read any books?

Mary: I haven't read any books, but I've done the next best thing. I've read a number of book reviews. I was quite impressed with what Mr. Brown, our English instructor, said the other day about the importance of keeping up with all the good new books that are being written, about the value of knowing the authors of our time, and what they are producing. He said that one couldn't read very many of the books, but that one could learn a great deal about contemporary literary events and productions by following the good book review magazines. I went out right away and picked up the current numbers of the New York Times Book Review and Books, which is the book review section of the New York Herald Tribune. That was nearly a week ago. There have been later numbers out since then, but I haven't had a chance to read them.

John: I don't quite see the value of spending a lot of time reading reviews and notes about books. Wouldn't it be better to take the time reading carefully one book or two or three magazine articles rather than to get a smattering about a number of books?

Mary: I am not sure about that. Of course, one should take time to read a book now and then and to read magazine articles. But I got something more than just a smattering by reading these two papers. For one thing, I read quite a long review of a book called "Claudius, the God." I know quite a little of what that book is about. It tells the personal story of this emperor in a very interesting period of Roman history. By reading what I did about Claudius I feel a greater desire to go back and read Roman history than I ever have in my life. The whole thing seems so much more human to me than it ever did when I was

reading the different texts on ancient history.

Then, I read in both these magazines about Emil Ludwig's new book on Hindenburg and, without reading a page of the book itself, I know what Ludwig thinks of Hindenburg. He thinks that this famous idol of the German people was a rather stupid fellow with no original ideas and no great strength of character. Then I got better acquainted with methods of American politics by reading a review of a book about a great American politician of the period following the Civil War, Roscoe Conkling. I learned something about Russian history by reading a review of the life of Czar Alexander, the czar who freed the serfs. I also read William MacDonald's review of "The Life of King George the Fifth" by D. C. Somervell. Here I got a very good summary of what has happened in England during the last 25 years. I also became somewhat acquainted with a book which I am going to get and read. It's a book about nature and some of nature's creatures. It is called "An Almanac for Moderns." Mark Van Doren, the well-known critic, says of it: "Not merely is it the best book of its kind that I have read in years; it is one of the best books I have ever read."

We all agree that it is important for us to read about political events so that we will know what is happening in the world of politics. Well, if we wish to be really educated and to gain a genuine culture from our reading it seems to me that it is just as important for us to be acquainted with current literary history, and we can become acquainted by reading about books and authors, even though we are able actually to read only a few of the books.

John: Well, I didn't read any books last week and I didn't even read any book reviews, but I did read several magazine articles. I liked particularly an editorial by Henry Goddard Leach, editor of the Forum. This editorial was in the May number. He is advocating a development of the Civilian Conservation Corps. I would like to see the government take over a million young men every year and give them a political and moral education.

Charles: I am not very enthusiastic about that plan. Of course, it would not be a bad idea if it worked out ideally, but the whole plan looks a good deal like uni-

versal military training to me. The army practically has charge of the CCC now. If it had a million young men every year it would be nothing more than a big reserve army.

Mary: I am somewhat suspicious of the idea from the educational standpoint, too. How do we know what kind of political education the politicians at Washington would give to these million men?

Charles: I'll tell you a magazine in which you can find articles that set you to thinking and that's Harper's. Did you read the one about subsistence homesteads in the April issue? It's called "Planning for Permanent Poverty." The authors of



QUEEN VICTORIA, THE PRINCE CONSORT AND THEIR FAMILY
From a painting by Winterhalter in Buckingham Palace

this article say that the subsistence homesteads constitute a plan by which Americans who can't get jobs are to be maintained permanently on a very low standard of living. "What it amounts to is this," they say. "Chattel slavery was abolished by the government in 1863. In 1935 the federal government has established what is in fact a state of serfdom. This is the declared policy of the American democracy."

John: I am glad you are coming around to the idea that some of the government's meddling and interference doesn't work out so well. There are several other magazine articles which I read and which I'd like to bring up for discussion. I'd like to take a crack at some of the things I read in The New Republic and The Nation, for example, but I think I'll have to be going now. So I'll have to postpone my remarks for another week.

Something to Think About

1. List a number of "unexpected developments" which have hindered the carrying out of the original purposes of the NRA. How might some of them have been avoided?
2. Do you see any conflict between the working of the NRA program and the avowed purposes of the AAA?
3. If you were charged with writing a new NRA measure, what amendments would you make?
4. How does Japan's growing hold on China conflict with the basic policy of the United States?
5. What is England's principal interest in the Far Eastern situation?
6. Discuss the various methods by which the clashing economic interests of nations might be reconciled.
7. What, in your opinion, is the principal value of following closely the outstanding reviews of current books?
8. Explain how, in the past, attempts to correct many of our domestic economic evils have been frustrated by war. Do you see any danger of a repetition in the present case?
9. Do you see any similarity between present European developments and the events which occurred immediately before the outbreak of the war in 1914?

REFERENCES: (a) NRA: Haven for Cake-Eaters. *The Nation*, April 10, 1935, pp. 411-414. (b) What to do with the NRA. *The New Republic*, March 20, 1935, p. 144. (c) On Reorganizing the NRA. *The Nation*, April 10, 1935, p. 417. (d) The Clash of Continents. *Current History*, April, 1935, pp. 1-8. (e) International Aspects of Problems of Production and Trade. *American Economic Review*, March, 1935, pp. 45-62.



A CCC CAMP NEAR LURAY, VIRGINIA

© Acme



IN SPEAKING of Woodrow Wilson's program of economic and social reform, President Roosevelt said at one time, "Had Wilson been able to devote eight years to domestic instead of international affairs, we might have

Wilson's reform program thwarted by World War

had a wholly different situation at the present time." But the "ifs" and the "might-have-beens" do not concern the student of history, for he is interested primarily in understanding what actually did happen and the reasons behind historical developments. Thus, in our study of Wilson's New Freedom last week, we emphasized the fact that the entire program of domestic reform which the President had in mind was frustrated by the intervention of the World War and that the New Freedom, viewed in the light of history, hardly caused a ripple on the permanent economic waves. Whether a greater ripple might actually have occurred without the war is a problem which can never be answered.

Today, when the country is again in the midst of a reform movement, the primary object of which is to wrest political and economic power from the vested interests and diffuse it more equitably to the great masses of the population, one would do well to ponder the experiences of the past. Wilson's New Freedom was not the only experiment in our history in which the government has attempted to use its influence on behalf of the great masses. It was not, as a matter of fact, even the result of a mass protest against policies which had previously existed, for Woodrow Wilson was a minority president; that is, he rode into power as a result of the split in the Republican party. There have been in our history two great attempts permanently to wrest power from the powerful business interests before the advent of Franklin D. Roosevelt and his New Deal.

THE first great revolution in our national history occurred in 1800 when the Federalists, representing the interests of the so-called upper classes, were ousted by Thomas Jefferson. Jefferson really offered the "new deal"

War of 1812 halts revolution begun by Jefferson

of that day. He promised to do away, and did do away, in fact, with many of the policies which his political foes, the Hamiltonians, had inaugurated. Under the Jeffersonian system, the common people of the day, most of them farmers, benefited materially. Wealth was more equitably distributed than under the Hamiltonian system. James Madison brought to the presidency similar economic ideas.

But the revolution inaugurated in 1800 was brought abruptly to an end in 1812. All national energy and attention had to be focused on the war with England which broke out that year. And, as always happens in time of war, industry, finance, and business profited enormously by supplying the greatly increased demands. In the War of 1812, the advantages to business were unusually great, for a good part of our commerce with Europe was cut off and new industries sprang up on American soil to supply the demand which European manufacturers had previously taken care of. With the conclusion of the war, the domestic revolution was over. The successors of the Federalists were again in power. The Bank of the United States, which the Jeffersonians had done away with as a tool of wealth and an enemy of the common good, was reestablished.

The pendulum again swung back in 1828 when the country was swept by an even greater pop-

War Effects Upon Economic Reform

By David S. Muzzey and Paul D. Miller

ular revolt than the Jeffersonian landslide of 1800. Whatever else may be said of "Old Hickory" Jackson, he represented in the popular mind the spokesman and protector of the people's interests against the power of wealth. The bank was again thrown overboard, the government exerted its power to enhance the position of the lowly, again mostly farmers. Jacksonian Democracy was the second great attempt in our history to give the common people a new deal.

TO ATTRIBUTE the nonpermanent character of the Jacksonian revolution to the intervention of the Civil War would be to indulge in oversimplification of the worst and most dangerous sort. Before the outbreak of the

Attention turned from domestic to foreign problems

war, economic forces were working against the interests of the agricultural population. From its overwhelming majority in the days of Jefferson and Jackson, agriculture had by the middle of the century slipped to a position of only equal importance with industry, and from that time on, the trend was increasingly against agriculture. Nevertheless, the Civil War, as historians have repeatedly pointed out, was a great boon to business enterprise, for it increased its wealth and placed it in political control for generations.

During the long reign of business, which was not even interrupted by the two administrations of the Democrat, Grover Cleveland, there were, of course, demands for another great revolution which would carry out objectives similar to those of Jeffersonian and Jacksonian Democracy. We have traced these movements rather fully in previous discussions on this page. But we find that they made little headway, and Business and Industry trudged ever onward in its domination of the national life. When economic crises developed, as they did periodically, attempts were made to prevent too great hostility to, and open revolt against, the government. One of the methods employed during periods of greatest tension was the attempt to shift popular attention from domestic troubles to foreign problems. Perhaps the most classic examples of this occurred during the economic stress of the 90's, when the Populist movement was making the greatest headway among the farmers and workers. Charles A. Beard, in his "The Open Door at Home," calls attention to this technique when he says:

Nevertheless, the diplomacy of the warlike gesture has been and may be employed in American politics to distract popular attention from economic crises and afford a covering for the suppression of discontents connected with crises. This fact is established and positively illustrated by the Venezuela "incident" in the second administration of Grover Cleveland. At that time the country was suffering from severe domestic distress. The disorders associated with the Pullman strike and the growth of Populism, with its frontal attack on capitalism and "accumulated wealth," alarmed the President and the politicians of his party, as well as the leaders in industrialist statecraft. To all observers a sharp domestic tension, likely to break in violence, was painfully apparent.

At this juncture came the opportunity to arouse the multitude by a bold slash at Great Britain for an alleged effort

to take territory in Venezuela that did not belong to her. Thereupon, President Cleveland espoused the cause of Venezuela and made a threat of war against Great Britain, more open than veiled. He surely knew at the time that the diplomatic fulmination was calculated to ease the domestic conflict. If he did not know this as a result of his own inquiring and thinking, Richard Olney, his secretary of state, knew it. If Mr. Olney had not discovered it on his own motion, he acquired knowledge of it from Thomas Paschal, a Democratic member of Congress. In a letter addressed to Mr. Olney in 1895 Mr. Paschal summed up the whole case: "You are right, now go ahead. Turn this Venezuelan question up or down, North, South, East or West, and it is a 'winner'—pardon the slang—morally, legally, politically, or financially: your attitude at this juncture is the trump card. It is, however, when you come to diagnose the country's internal ills that the possibilities of 'blood and iron' loom up immediately. Why, Mr. Secretary, just think of how angry the anarchistic, socialistic, and populist boil appears on our political surface, and who knows how deep its roots extend or ramify? One cannon shot across the bow of a British boat in defense of this principle will knock more pus out of it than would suffice to inoculate and corrupt our people for the next two centuries.

Nor should the fact be ignored that the greatest agitation for America's declaration of war on Spain during the late 90's came when the country was in the midst of an economic crisis and the demands for social and economic reform were sweeping the country. Many regarded the Spanish-American War as a welcome solution to the acute and perplexing domestic problems, although it would be absurd to assume that the United States was plunged into that war for the purpose of relieving the domestic situation. And it would likewise be absurd to assume that selfish interests plunged the United States into the World War simply to prevent further reforms contemplated by President Wilson. Nevertheless, the war did come and with its outbreak faded all hopes of further economic reforms on the economic front. When the war was over, the nation was confronted with the same old spectacle. Business interests were again firmly entrenched, as they had been after the War of 1812 and the Civil War, and the possibility of reshaping the social and economic life of the nation became extremely remote.

AS WE are now going through what will probably be known in American history as the third great attempt on the part of the people to reorder their economic life for the greater benefit of the entire population, these facts

Possibility of war looms large in present situation

of history should be clearly borne in mind by the citizens of today. War in the near future would completely disrupt whatever program of reform has been attempted under the Roosevelt administration, just as it sounded the death knell of Wilson's New Freedom two decades ago. And yet war is a possibility today, either in Europe or in Asia. If the Roosevelt program fails to "take" and restore a certain measure of prosperity at home, it is not at all improbable that more attention will be focused on international relations. It is possible that a strong foreign policy, a policy designed aggressively to expand American foreign trade, will be adopted. In that case, the dangers of war would be greatly increased, for the simple reason that competition for the world's remaining markets is today keener than ever before. It is from this competition and the conflicting interests of nations which arise therefrom that war is bred. If for no other reason, therefore, than to maintain peace the people of this country should do everything in their power to bring about the adjustments which are necessary to make the economic machine work smoothly and for the benefit of all the people.

Glimpses of the Past

Seventy-five Years Ago This Week

The Democratic convention at Charleston is having a hard struggle to nominate a presidential candidate who will be acceptable to both the northern and southern factions of the party. The platform contains the strongest pro-slavery plank ever adopted. This is a concession to the southerners, who are expected, in turn, to agree to Douglas' nomination.

The Pony Express, running between St. Joseph, Missouri, and California, enables a letter mailed in England to reach our Pacific Coast in 20 days. On the last trip one of the horses stumbled over a dead ox and upset the wagon, fatally injuring one of the drivers. Nevertheless, the express reached its destination on time.

There is talk in Europe of holding an international congress to discuss ways of preserving the neutrality of Switzerland.

President Buchanan resents violations of his Sabbath rest. He has asked friends at the Charleston political convention not to send him any more dispatches on Sunday.

An investigation is to be undertaken in connection with several new public

buildings in Washington. It is charged that the new Treasury extension has already cost \$218,000 more than the bids called for, \$30,000 being paid for single blocks which should have cost only \$18,000.

The New York Tribune's correspondent in Asia reports the sailing of the first Japanese diplomats to the United States. "The departure of the commissioners," he writes, "breaks down forever the barbarous edict that condemned to death every man who left this land and sought to return."

"Wide-Awake Clubs" are being extensively organized throughout New England. These volunteer groups consist of citizens interested in preserving order in elections. Wearing uniforms, they undertake to protect political gatherings against violence, suppress rowdies, and round up the voters on various election days.

French scientific journals are filled with accounts of the new discovery—hypnotism. Several cases are reported of surgical operations performed on persons under hypnotic influence, although there is considerable opposition to the practice.